

Fiscal Service, Treasury

§ 321.9

the education feature of Series EE savings bonds issued on or after January 1, 1990, and of Series I savings bonds.)

[53 FR 37511, Sept. 26, 1988, as amended at 55 FR 35395, Aug. 29, 1990; 63 FR 38042, July 14, 1998]

§ 321.8 Redemption-exchange of Series E and EE savings bonds and savings notes.

(a) *General.* Subject to the provisions of Circular No. 2-80 (31 CFR part 352), the governing regulations, and the provisions of this part and its appendix, an agent may make payment of eligible securities presented for redemption in exchange for Series HH bonds. Securities eligible for exchange are:

(1) Series EE bonds bearing issue dates of January 1, 2003, or earlier, presented no earlier than six months from their issue dates;

(2) Series EE bonds bearing issue dates of February 1, 2003, or thereafter, presented no earlier than 12 months from their issue dates; and

(3) Series E bonds and savings notes presented no later than one year from the month in which they reached final maturity. The total redemption value of the securities presented for exchange must be at least \$500.

(b) *Requirements for redemption-exchange.* An agent shall not accept and redeem eligible securities on exchange unless:

(1) The securities are accompanied by a completed exchange subscription signed by the presenter;

(2) The presenter is the owner, the legal representative (excluding a representative of a decedent's estate), the surviving coowner or beneficiary, or the principal coowner (as defined in § 352.7(e)(2) in 31 CFR part 352 (Circular No. 2-80)) of the securities presented for exchange and is to be named as owner or first-named coowner on the Series HH bonds; and

(3) The request for payment on each security is signed by the presenter. A presenter who is a legal representative should show the full title adjacent to each signature and, in the case of a corporate legal representative, should show the full corporate name, as well as the title. If the name of the presenter has been changed by marriage, or if the presenter is named as bene-

ficiary or legal representative on the securities, the agent may process the transaction in accordance with the provisions of § 321.7 (b), (d), or (e) of this part. If the agent is authorized and elects to use the special endorsement procedure, set out in 31 CFR part 330 (Circular No. 888, current revision), the requests for payment do not need to be signed; however, this special endorsement may not be used in lieu of the presenter's signature on the exchange subscription.

(c) *Interest reporting.* To the extent that it represents interest of \$10 or more, a paying agent is required to report cash, refunded in an exchange transaction, to the presenter and to the Internal Revenue Service under the provisions of 26 CFR 1.6049-4.

(d) *Completion of transaction.* An agent shall transmit for settlement via EZ CLEAR securities redeemed on exchange and, at the same time, forward the exchange application (PD F 3253) and any additional cash needed to complete the transaction, to the Fiscal Agency Department of the servicing Federal Reserve Bank referred to in § 321.25. Securities redeemed on exchange may be commingled with cash redemptions in mixed or separately sorted cash letters."

[53 FR 37511, Sept. 26, 1988, as amended at 55 FR 35396, Aug. 29, 1990; 59 FR 10537, Mar. 4, 1994; 68 FR 2666, Jan. 17, 2003; 68 FR 7427, Feb. 14, 2003]

§ 321.9 Specific limitations on payment authority.

An agent is not authorized to redeem a security for cash or on redemption-exchange:

(a)(1) If it is a Series EE bond or a Series I bond issued on January 1, 2003, or earlier, presented for payment prior to six months from its issue date; or

(2) If it is a Series EE bond or a Series I bond issued on February 1, 2003, or thereafter, presented for payment prior to 12 months from its issue date.

(b) If it is a savings bond of Series F, G, H, J, K, or HH.

(c) If the presenter is acting under a power of attorney.

(d) If the agent does not know or cannot establish the identity of the presenter as a person entitled to request payment as provided in § 321.7.